

Wow! Memphis seems like such a long time ago! It's already November and I've been getting a number of 'gentle' reminders from our new President, Benny 'Spencer' Bolin that I need to get the Newsletter sent out to our club's membership. Like Benny, I too, am the 3rd person to hold this position within our community. Both of my predecessors, first Milt Friedberg and then Benny Bolin, have set the bar high, in terms of the benefit our membership receives from our newsletter. I certainly hope that I'm capable of meeting those same expectations.

Meet the Editor

I thought I'd take a little space and introduce myself to those that don't know me. Essentially I'm a transplanted Michigander, which might explain why I don't have that Texas Drawl. I first started collecting coins when my Dad would bring home rolls of pennies from his gas station/car dealership and I'd work at filling my Whitman album while still in elementary school (I still have this album!). My Mom was a bank teller and would also be on the lookout for coins for me. Although at times it was difficult to buy the coins on my allowance, especially when all the silver started coming in, I figured paying face value was certainly the way to go! In the late 60's I went to college and met an instructor in the Computer Science Department that I liked who also collected coins and stamps. We hit it off quite well and I discovered he also collected 'horse blankets'; introducing me to large size currency while I was in Kalamazoo, MI. It wasn't long before I started wondering what those small 10c, etc. notes were and before I realized it...I was hooked. I started learning about these little pieces of paper and was buying notes via mail order from folks such as Ted Kemm, Lester Merkin, Tom Foley, Len Glazer, Bob Medlar and others when my college budget would allow me to.

As the seventies wore on, my interests shifted to other things and I drifted away from my collections. I married, moved to Texas where Donna and I started our family with triplets (2 girls, 1 boy), followed by another boy. Once they were old enough to get interested in their own hobbies I ended-up pulling out all the collections and re-discovering all those small size notes I had stuffed away. Since then, I've met and become friends with a lot of other collectors that are also 'hooked', sharing the same interest and enthusiasm for this unique period of our country's numismatic history...

Upcoming Events!

As I write this, my Lyn Knight catalog for the St. Louis show landed on my desk. Certainly has some interesting items for the fractional collector. Shortly it'll also be time for FUN and the CAA catalog is always full of some interesting surprises. So it's time to sharpen your pencil and get your bid sheet in hand! HOWEVER, be sure and hang onto a bit of your hobby budget, because in January your FCCB Membership fee will be due! So watch for the dues envelop in the next newsletter!

Until then...happy collecting!

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TREASURY DEPARTMENT

Welcome to the Third Era!

Hello and welcome to all FCCB'ers to this *Third Era* of the club. Each era can be described by the President at the time. Beginning way back in 1983, we began the Hales era. The club was founded at Memphis that year and Doug Hales was elected president. This era can be called the *formative* era. It was during this early period of our existence that unknowns dominated and our club endured "*designs to meet the capabilities and demands.*" During his ensuing 14 years as President, we saw our little 25 member club grow to almost 100 active members (over 250 joined in those years). We began and refined the purpose of the club and how we would work. It was, and still is, a totally volunteer club that was designed and hopefully still functions to further the knowledge and enjoyment of our small subset of paper money collectors.

The club evolved to the next era, the O'Mara era at Memphis 1997 when Doug decided to step aside and let new blood run the club. We can call this era the *normative* era as we saw our small part of the hobby being at a stage where most major decisions regarding processes have been made and we were in the "*acceptance testing*" stage. During Tom's six years as President, we saw an almost total change in fractional currency collector base. Many of the original member's collections were sold, including the Gengerke, Marchioni, Hales, Lee and of course the Friedberg collection. We had a new base enter into the hobby, O'Mara, Laub, Paradis, Fochtman, etc. They came in with great verve and enthusiasm and led us to sign up our almost 500th member. Fortunately, most of the great names whose collections were sold are still with us and active in our hobby. We are celebrating unprecedented and unpredicted heights. Fractional is very high on the hobby list and we even culminated the O'Mara era with an issue of the Society of Paper Money Collector's award winning publication, Paper Money, devoted entirely to Fractional Currency. Doug and Tom have guided us a long way.

It is kind of interesting how many of our offices are now in their third era. President, newsletter editor—Milt from 1983 until I took over in 1995 and now Jerry; Membership chairman—the Wilson's from 1983 until I took over in 1989 and Bill Brandimore in 1995. But some have served faithfully for years—Treasurer Wally Lee, Secretary Howard Cohen and ANA Liaison Martin Gengerke.

We now enter the Bolin era of the club. As President, I assure you I will do everything I can to lead us into exciting and uncharted waters. My main goal is to lead by example. I will not ask you to do anything I am not willing to do. So, write an article, do a club presentation, do an exhibit or in some other way contribute to the hobby.

Some of you may be new and are asking "who is this bozo that went on and on and on about some formative and normative stuff? Well, I am a Texan, born and bred, not one of **those people** who were not fortunate to be born here, but had to move here. I am a registered nurse and manage the trauma ICU and floor at Baylor University Medical Center in Dallas, TX. I live on my family farm that my granddad bought in 1947, have been married to Kim since 1982 and have one son Brandon who is eleven and has been to Memphis eleven times. I started collecting coins in 1964 and got fed up with the grading standards and sold everything I had in 1982 and began collecting fractional. I started going to Memphis in 1984 and have been to every one since. I exhibit at each one and just this year won my first first-place award (good things really do come to those who wait!). I am the current VP of the SPMC and belong to numerous other organizations.

Enough about me—on to Fractional! As most of you are aware, the year ahead is shaping up to be an incredible year. After the FUN sale at which I am sure CAA will have an auction with lots of fractional in it, we will all be holding our breath to see what really is in the Ford Collection. Is it mostly intact or has it been decimated? I have been told by one who should know that there is indeed a 1352 in the collection. What other treasures await? I hope that the people at Stack's and especially the two of our members who are helping with the catalog will remember us and keep us in the loop. I don't think I would step out on a precarious limb if I were to suggest that the majority of the material in that collection, now that it will be sold at public auction, will be sold to a member of our club. The key to a good sale is supply and demand. Actually, low supply and high demand?!? Don't keep us in the dark, but rather whet our appetites with tidbits from time to time. If they will, I will make the commitment that we will use this newsletter and our mailing list to showcase the material to our members. I am not going so far as to suggest that they show us the entire collection, but send us scans of notes for each newsletter or enough to do a special one. Write us an article about the collection. Keep a digitally scanned inventory for publication later. Even better yet—if the collection is to be sold after Memphis 2004, be the guest speaker for our meeting and show scans and slides of the material. I have one simple request--don't surprise us with a huge catalog right before the sale that will overwhelm us. We want to be involved—just ask!

Speaking of our annual meeting, make plans now to attend the International Paper Money Show in Memphis in June and attend our meeting. In case Stack's cannot be our program presenters—do you have ideas of what you would like to see or do you want to present the program? Just let me know.

One thing that may affect our hobby as an association type item is the recovery of the S.S. Republic. This is the ship that went down in a storm off the east coast with supposedly \$40,000 in gold coins of the day. More research on this is needed, but I think this ship might have been a Confederate blockade runner. Runners are associated with our hobby by way of the CSA watermarked paper on the "*Bermuda*."

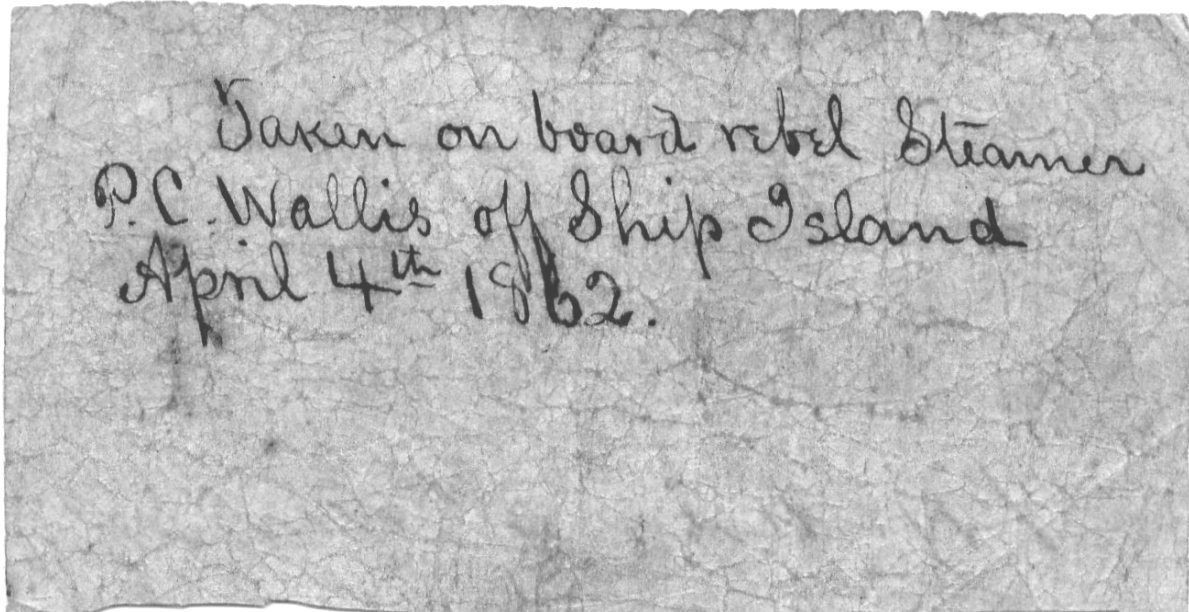
Also, some have been asking about Milt. I called him and JoAnn last week and talked with them. Milt is getting around, even walking to the end of his driveway with the aid of a walker. JoAnn said they are going to Florida in January for a few months as Milt loves Florida. She said he is doing very well, but is extremely frustrated about his lasting inability to speak. JoAnn said he loved it when people called or sent cards, so how about sending him a card. Knowing Milt for as many years as I do, I know he would love it if everyone sent him a card. Tell him a story about fractional, the club or your zany new President. Just don't forget him now that he cannot come to Memphis. He is truly the main reason we are all here today.

Anyway, to wrap up—I hope I did not scare you with my deep thoughts at the beginning (had to put that M.S. in management to work—it cost me a LOT!) or with my rambling. Go out and enjoy our hobby. Let me know if you have questions or if you have input on how the club could better suit your needs.

Fractionally yours—

Benny Bolin (he was framed—SMC that is).... ☺

A Blockade Runner Note?



A member recently sent this ten-cent note from the Savings Bank from the City of Mobile. What is interesting is the writing on the back. "*Taken on board rebel Steamer P.C. Wallis off Ship Island April 4th 1862.*" I have been doing some research on this steamer and have only found one reference to her. There was indeed a rebel steamer of the name P.C. Wallis.

According to the Civil War Naval Chronology, On April 4th, 1862, the Union warship J. P. Jackson under the command of Acting Lieutenant Selim E. Woodworth, captured the steamer P.C. Wallis near New Orleans with a cargo of turpentine, pitch, rosin and oil.

That would mean that if the writing on the note is authentic, the note was taken the day the ship was captured—possibly by a Union sailor?

Much research is still to be done to find more about these two ships and where exactly is Ship Island?

Fractional Currency In The News

Saturday, July 12, 2003 •

California Life 25

Stamps & coins

In 1862, some forms of loose change could blow away

By Peter M. Rexford
SPECIAL TO THE BEE

The top of my desk has officially become a fire hazard. That always means it's time to answer some reader mail.

Q: *I have what looks like a small piece of old paper money. On the front it shows five 10-cent stamps. On the top, it says "POSTAGE CURRENCY." Near the bottom it says "Receivable for Postage Stamps At Any Post Office." Is this just a voucher for stamps or real money?*

— T.M., Marshall, Mo.

A: You own something called "fractional currency." If you look on the back of the note, you'll see that it was issued in 1862. That date is the key.

Fractional currency was printed during the Civil War when no one trusted paper money. In fact, people hoarded coins



Peter Rexford

1862 50-cent "fractional currency" could be spent on postage.

in such quantities that the government was forced to issue fractional currency to make up for the lack of pocket change. Some fractional postal currency was created because people trusted paper stamps more than paper money.

Today, fractional Postage

Currency notes are popular among both stamp and coin collectors. As always, with demand and rarity comes value.

Your 50-cent note is worth anywhere from \$25 in used condition to more than \$400 if the bill is in uncirculated condition.

Q: *I have a copper 1943 penny. I know it would be worth a lot if it were real. How can I tell if it's authentic? If not, is it still worth anything?*

— S.H., Colfax

A: Test it with a magnet. If it sticks, the coin's a fake. That's because, to redistribute needed copper to the war effort, most 1943 pennies were minted out of steel. Steel's magnetic. Copper isn't.

A handful of 1943 pennies were accidentally struck out of copper. Today, those pennies are worth a small fortune. As for counterfeit varieties of the steel 1943 pennies, which were unscrupulously coated with copper to fool people, you may be able to get a dollar or two from someone who wants one as a novelty.

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Write to Peter Rexford at California Life, P.O. Box 15779, Sacramento, CA 95852.

FR1279 Fractional Postage Error with Extra Row of Perforations – Real or Fake?

By Rick Melamed

To all fractional enthusiasts, perforated 1st issue postage notes are always a favorite. The obvious reason is that the perforations make the definitive link between postage stamps and postage currency. In 1862, during the Civil War, there was such a shortage of coinage due to hoarding, that a solution to provide money for everyday transactions was desperately needed. At first postage stamps were used in lieu of coins. This proved to be unsatisfactory in that stamps are only to be used once and the adhesive caused the stamps to stick together and generally they did not hold up well for the long term.

Subsequently encased postage was tried. Encased postage consisted of stamps that were encased in brass and sealed with a transparent, thin layer of the natural occurring material mica. The brass came from a manufacturer of brass uniform buttons. The brass cover was also used for advertising. There were a myriad of problems such as cracked mica, the aversion for advertising on money, etc. But the main reason for its failure was Gault, the original manufacturer of encased postage, could not get an ample supply of stamps from the post office.

Finally a suitable solution was found which became the birth of Postage Currency, the first series, which then in turn led to series 2 through 5 what we currently refer to as Fractional Currency. The first fractional currency notes that were created were postage notes that were issued in perforated sheets. The 5¢ and 10¢ denominations were issued in sheets of 20; the 25¢ and 50¢ sheets were issued in sheets of 16. (The straight edge sheets would come later). The denominations were as follows:

5¢ - FR1228 (with monogram) FR1229 (without monogram)

10¢ - FR1240 (with monogram) FR1241 (without monogram)

25¢ - FR1279 (with monogram) FR1280 (without monogram)

50¢ - FR1310 (with monogram) FR1311 (without monogram)

Recently an unusual example surfaced. The note is an FR1279 with an extra row of horizontal perforations through the lower portion of the note. Before discussing how an error could happen, it's important to give a brief provenance. The note was purchased from a long time collector who in turn purchased it from noted stamp dealer Arthur Abrahams in 1969. Mr. Abrahams was the president of the Genesee County Historical Society and a prominent historian of the early Michigan area in the 1950's and 1960's. The note was from his private collection that was started in the late 1800's by his grandfather and was passed to him by his father, GC... all Abrahams from Flint, Michigan.



It's also worth noting that Martin Gengerke once owned an FR1310 (50¢ postage note) that also had an extra row of perforations through the body of the note. Martin had purchased the note from Lester Merkin who had 2 examples. The second example was listed in the NASCA Sale of the Rockholt collection in 1981, lot 2260 which featured an FR1310 with an extra horizontal row of perfs. The note sold for \$180. The write-up indicated that there was a footnote in Valentine following his #12a: "A specimen was noted as having a double row of perforations 1/8 of an inch apart on the lower edge." Since this mention, there have been no public appearances of this on record (according to the catalog). **(Note to the FCCB community: If anyone has or knows of the whereabouts of the aforementioned FR1310 error, can you please send a scan of the note to the FCCB editor Jerry Fochtman (jfochtman@bradmark.com) so he can publish it in a subsequent FCCB newsletter. Thanks.)**

One immediately recalls the history of the FR1310a, which has the greater density of perforations (14 vs. 12 per 20mm). The conventional belief was that dealer Harlan P. Smith took 2 sheets of FR1312's (straight edged 50¢) and added his own perforations. The first recorded sale of these perforated notes took place in 1890, 28 years after Postage Currency was first issued. With the greater density of perforations, it's fairly apparent that the process was made aftermarket. They are worth a significant premium over conventional FR1310's. A gem example of an FR1310a can fetch over \$5000. The fact that the note includes faked perfs is part of the wonderful folklore of fractional history.

The question that comes to mind is...is the note a real error or was it faked? Certain facts lend support for it being genuine. I searched the Heritage/CAA archival database for FR1279's and found that the note averages between 46-48 perforations across the note. This error has 48 perforations, which is consistent to the original manufacturing process. Additionally the size of the holes and spacing is also consistent with the regular issued FR1279. When postage sheets were made, the perforation process consisted of a comb shaped punch that vertically inserted the perforations into the sheet. It's not a far stretch to envision the operator accidentally inserted the extra row of perforations. It's also possible that the punch operator, in a fit of boredom that comes with a repetitive menial task, may have added the extra row of perforations on purpose. Also worth noting, if the note were made through legitimate channels, then there would have been 4 notes with exact same error. So where are the other 3?

For the argument of a faked error, there are certain ways to make the extra row of perforations outside of the original manufacturing process. Modern processes can probably easily make a perforation row although if the provenance holds true, it would certainly prove a more difficult task with 19th century technology. Also that the perfs are very clean with no chad could be circumstantial evidence to the note being a fake. Of course there are lots of notes with clean-cut perforations and a lot with the hanging chad.

The question is why would someone go to so much trouble to fake this error for a small premium? The person would have to be fairly sophisticated to get the number of perforations exactly right. It's my opinion that the note is probably real because the scenario of it being in existence legitimately is more plausible than it being faked. Still if nothing else, the note is an interesting piece of fractional history and will probably be discussed for years to come.

I would personally like to thank Bob Laub for helping with the research. Also thanks must go to Martin Gengerke, Rob Kravitz, Mike Marchioni, Jerry Fochtman, Robert Kanaskie and Benny Bolin for their help in writing this article.

Picture Page



Milt Friedberg with Jackson Storm, Fred Reed and Herb Melnick at a signing of Milt's new book, "The Encyclopedia of United States Fractional and Postage Currency."



Founding FCCB member gets married in July - Marty and Beatrice Gengerke

Have You Seen?

As a part of my effort to develop a digital history of Fractional Currency for club members, I will show articles on various pieces, looking for the original so I might obtain a digital image. If you know the whereabouts of this shield (last seen in Stack's May, 1996 Auction), the shield that has F.E. Spinner's autograph, or happen to have a high-quality grey, green or pink shield please contact me so we might arrange for a high-quality digital image (I'll even ship my camera to you to use!). All contacts and other information will remain strictly confidential.

FRACTIONAL CURRENCY SHIELD

U. S. FRACTIONAL CURRENCY

UNIQUE BROWN FRACTIONAL SHIELD

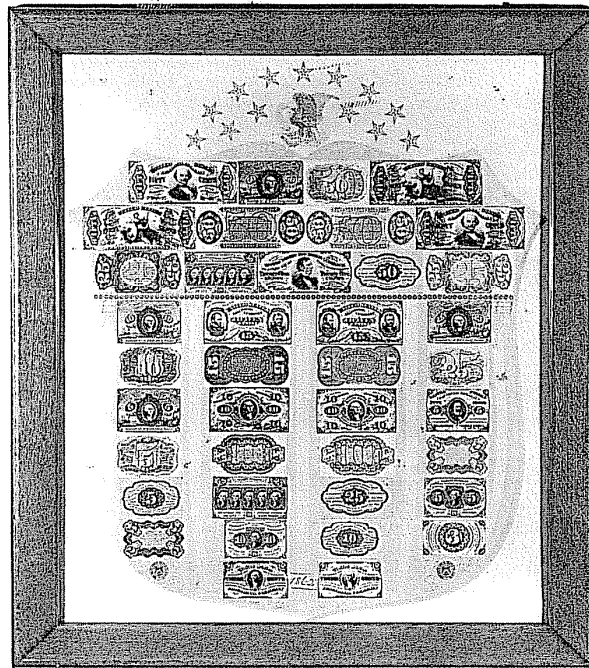
Though it has been over a century since Fractional Currency Shields were sold to the public, the reason for their issuance remains a mystery today. It has been suggested that they were issued for counterfeit detection purposes, but this seems highly unlikely - their size makes them too unwieldy for individual note comparison. The small premium charged for them rules out any kind of fund raising effort. The large number known eliminates any kind of gift or political favor possibility, at least for the "common" gray background shields. The hundreds of unsold shields that were damaged in storage in the Treasury suggests no tremendous public clamor for them. Whatever their initial purpose, they are today highly popular Fractional Currency items that are difficult to find in presentable condition.

The most common are the shields with gray background - perhaps a few hundred still exist in all conditions. Far more rare are those with a pink background; maybe two or three dozen exist. Extremely rare are the shields with a green background. We've seen about a dozen, including several in deplorable condition. Lester Merkin had on his office wall for many years a lavender shield that he highly prized.

In an article in Numismatic Scrapbook Magazine a half century ago Urban C. Thobe mentioned the existence of a Brown shield. Until now we have been skeptical; rumors abound in this business about the existence of strange items. Most turn out to be misdescriptions by well meaning but uninformed amateurs.

It was indeed a pleasant surprise when we opened the crate containing this lovely shield. The background engraving is a definite light brown with a lavender tinge to it. Since the shield is bright and obviously not tainted by the effects of age, air, light, etc., there is NO possibility of it having changed from a "standard" pink or green background.

This is one of the major Fractional Currency discoveries of recent decades, destined for a prestigious collection indeed.



Lot No. 705

- 705 **Brown/lavender Fractional Currency Shield.** The engraving, unlike the normal gray, pink or green, is a light brown with a lavender tinge. The background paper is white, not aged, with virtually no signs of waterstaining, foxing, or other problems. The notes are uniformly bright, with bright bronze, not faded or aged. The exceptionally nice condition of the shield precludes any possibility that the color is the result of the action of time or the elements. The lack of waterstaining indicates this was certainly not one of the hundreds (thousands?) of stock shields stored in a Treasury basement when it flooded. Further evidence of the "special" status of the shield is that the four autographed notes all bear the signatures of Colby and Spinner, a combination **never** found on the "common" gray shields.

The unique color of this shield, combined with its truly exceptional condition could very well result in a record price for a Fractional shield. We would be hard pressed indeed to think of a more impressive item for the advanced numismatic den or library.